VINDICATION

THE CANAL POLICY OF THE STATE. BY

CANAL COMMISSIONER RUGGLES.

To the Legislature of the State of New-York The undersigned, Samuel B. Raggles, late Canal Commissioner, appointed by the Governor in July lest to fill the vacancy for the remainder of the year, eccasioned by the death of the late Canal Commissioner Whallon, hereby, in obedience to the law requiring the Canal Commissioners annually to report to the Legislature "the condition of the Canals, the im-" provements and repairs made during the year." and "the moneys received and expended by teem in "the discharge of their duties," and also to "recom-"mend such measures in relation to the Catals as "they shall deem the public interest to require," re-

specifully presents the following REPORT: REPORT:
Under the law requiring the Canals of the State to be assigned by divisions, in special charge to each of the Canal Commissioners, the Western Division, which had been committed to the late Commissioner which had been commuted to the late Commissioner Whallon, was assigned on his death to the undersigned. It embraced the Genesse Valley Canal and that part of the Eric Canal 147.00 miles in length, lying west of the eastern line of Wayne County. This Eastern boundary runs through the Cayuga Marshes and divides them into two portions. It is an unnatural and artificial division, and might well be changed by

and artificial division, and might well be changed by committing the whole of the canal through the marshes to a single Commissioner.

The report of Mr. John D. Fay, the Division Engineer, attached to the general report of the State Engineer, just presented to the Legislature, states we fally and clearly the condition of the particular portions of the division, with the improvements and repairs, that it allows the Canal Commissioner to confine his report mainly to the expenditures made under his direction, and to the general condition of the enlargement of the Eric Canal, in its physical, commercial and financial aspects, with such recommendations in relafinancial aspects, with such recommendations in rela-tion thereto as he may deem conductive to the interests

of the State.

The Commissioner entered upon the duties of the office on the 24th of July, 1858. Between that time and the 1st of January, 1859, he drew drafts upon the Caral Anditor for work done, land and buildings taken.

nal Auditor for work done, land and buildings taken, and for repairs and engineering, making a total of drafts and cash payments of \$541,700 60.

The amount expended during the fiscal year ending Sept. 30, 1838, by the Superintendents of the five subdivisions of the Western Division of the Eric Canal, is \$146,815 01, and by the Superintendents of the first and third subdivisions of the Genesee Valley Canal \$47,239 89. The recond subdivision of that canal is under contract for \$13,900 annually, payable monthly. The monthly payments, deducting 15 per cent, retained until the end of the year, are included in the drafts of the Canal Commissioners.

drafts of the Canal Commissioners.

The total drafts given for the \$530,662 60 above stated, consist of:

1. Drafts for final estimates for work done before the let of July, 1858.

2. For awards by Canal Appraisers for lands and buildings of individuals taken for public use, and

buildings of individuals taxen for phone use, and generally several years ago.

3. For engineering expenses, (drafts only paid by the 33,149 17 Auditor)

For work done on the extension of the Gene Valley Canal, for which the drafts have been a paid out of funds provided. Valley Canal, for which the drafts have been duly paid out of funds provided.

5. For repairs of Eric Canal.

6. For work on the Genesse Valley Canal, mainly necessary to connect the extension with it.

7. For work on the Eric Enlargement, prosecuted since the lat of July, 1858. 9,520 90

Leaving to be done......work not yet under contract he estimakes at. 216,023 04 which is included a Weigh Look and other work not immediately necessary 100,000 00 Leaving for work now necessary to complete the Canal in its full dimensions, exclusive of land dam-Canal in its full dimensions, exemptive of and canal ages and engineering.

He further estimates that there is due to Contracters for work completed, and for which drafts are not yet hanced. \$215,800 51

And for 15 per cent retained on work in 20,833 60 #305,188 51

II.. The cost of finishing the Genesses Valley Canal is estimated by Mr. Fay (exclusive of land damages and engineering) at...

The amount claimed by contractors for finished work he states at.

And for 15 per cent retained on work in progress. ₱17,494 55 Deduct work already done

\$27,433 70-\$68,483 70 The last Legislature accounted after a disagreement between the Senate and Assembly as to the minor debetween the Schate and Assembly as to think there tails of a bill, upon the general principle of which there was no difference of opinion, by which means were provided to the amount of three millions eight hundred thousand dollars for paying for work done on the canals, and for lands and buildings of individuals taken in their construction, and also for prosecuting the works to completion. to completion.

The only provision made by the Legislature of 1858 The only provision made by the Legislature of 1858 for sustaining or presecuting the public works, was the act which they passed on the 16th of April, directing the Canal Auditor to pay interest at six per cent per annum for a period not exceeding a year, "on all "Canal Commissioners' drafts drawn upon contracts "for the enlargement and completion of the canals of "this State, the interest to commence on drafts for "mouthly estimates on the tweaty-first day of the "mouth succeeding that in which the work was "done," and also "on all Canal Commissioners' drafts drawn for the payment of awards made by the Canal "Appraisers, the interest to commence at the expiration of ninety days from the date of the award;" and also "on all Canal Commissioners' drafts upon final "estimates on contracts for the enlargement and completion of the canals," the interest to be computed "estimates on contracts for the enlargement and com-"pletion of the casals," the interest to be computed on such drafts from the date thereof, and also " on all "awards made by the Canal Board or Board of Canal

Commissioners, the interest to co law further provided that no interest should be paid on any such drafts or awards drawn or made after the first of July, 1858, except upon drafts drawn or final estimates for work completed prior to that date.

final estimates for work completed prior to that date.

The fact was perfectly well known to the Legislature and throughout the State, that a large amount of work had been dene on the contracts then subsisting for the prosecution of the canals, beyond the means then provided; and also that a further amount was due and had been justly owing for several years to the owners of lands and buildings which had been taken for public use. The Legislature of 1858, so far from censuring any of the officers of the State for permitting such elaims to accrue, gave them all the sanction, and afforded to the holders all the facilities in their power, by providing for paying the interest as their power, by providing for paying the interest as above stated. Their act, so far from directing the work on the canals to be stopped, or intimating the necessity or propriety of doing so, by the plainest implication encouraged and directed their prosecution at least until the let of July thereafter. The Legislature evidently indulged the belief that their successors would make such provision for the contractors and claimants as should be just and equitable, and legally within their legislative authority, either by a tax, or a lean, or an amendment of the Constitution.

By the report of the State Engineer, presented to the present Legislature, it appears that three hundred and one contracts were in existence during the last

by the report of the State Engineer, presented to the present Legislature, it appears that three hundred and one contracts were in existence during the last year; that one hundred and sixty-six have been com-pleted and settled, and that one hundred and thirty-

blee are yet existing.

The act evidently left the option open to any contractor, either to proceed with his work and take the drafts of the Canal Commissioner certifying the amount, or to apply to the Canal Board to caucel his contract and demand a liquidation of the amount then due. Twenty-eight of the number took the latter course; and their contracts were canceled accordingly. No action was ever taken by the Canal Board to require any concontracts were canceled accordingly. No action was ever taken by the Canal Board to require any contractor to do so, still less to induce or advise the Canal Commissioners to stop the work; on the contrary, the Canal Board in October last, with the assent and by the vote of the Controller, expressly authorized the Commissioner in charge of the Oswego Canal to put some additional work under contract, and in December last, on the motion of the Controller, after having directed a contract to be canceled, actually rescinded their resolution, and thereby permitted the contractor to proceed with his work. In treth, the cancellation of the contracts until very recently seemed to meet with little favor from any quarter and was openly and earnestly condemned as evincing seemed to meet with little favor from any quarter and was openly and earnessly condemned as evincing an unfriendly Iceling toward the enlargement by leading public journals, that have since expressed the opinion that the Canal Commissioners ought at once to have stopped every portion of the work, wholly without regard to consequences, and that their omission to do so, was a public offence of the gravest character, calling for the severest punishment.

On the first of July last, a large number of these

three hundred and one contracts were fully completed, and ready for the "final estimate." This is a document which tream to from a long and I shortons completion and computation of all the measurements taken during the progress of the work, and is necompanied by certificates and affiliavits from the first Assistant Engineer, the Resident Engineer, the Division Engineer and the State Engineer. For still further security, the practice has been recently introduced on the Western Division, for the Resident Engineer to from the fill written explanations to the Canal Commissioner in respect to the character of the work, especially where the final estimate materially accepts the same estimated at the time of letting the work. Such cially where the final estimate materially exceeds the sum estimated at the time of letting the work. Such as document is of luttle practical value to the contractor for the purpose of raising money, until it receives the final examination and approbation of the Canal Commissioner, which he signifies by giving his draft on the Canal Auditor for the liquidated amount.

The law of April 16, 1818, plainly assumes that the contractor on fully and fairly completing his work has the legal right to demand and receive from the Canal Commissioner the draft duly liquidating the amount.

contractor on fully and larry companing his work has the legal right to demand and receive from the Canal Commissioner the draft duly liquidating the amount, for it provides for paying 1 terest, not on "the final estimate," but on "the Canal Commissioner's draft "upon the final estimate." The Courts of Justice wond, undoubtedly, compel the Canal Commissioner to give the draft, if unreasonably refused or delayed. In fact, the Supreme Court has already done so in two similar instances, in cases coming before two separ the Judges in February last, each of whom issued peremptory mandaxons, directing the Canal Commissioner to give his draft for moneys due for work on the Cayuga and Seneca Canal, and after the appropriation had been extansted. His duty to do so is evident. The draft creates no debt, but merely liquidates a debalvendry created, and imposes no obligation on the State n ore binding than the precising obligation of the contract.

In the case of an award of the Canal Appraisers, for private property taken for the public use of the State, the cisim of the owner for payment, and that, too, without delay, rests upon the most sacred and solemn obligation of the Constitution. No draft of a Canal Commissioner, or any other written evidence, can superadd any legal or moral weight to the fundamental obligation of the State promptly to pay the private citizen the value of the property wested from him by the strong arm of power against his will. To stigmatize the public officer of a State for hastening to isquidate such a claim, or to afford every possible facility for its speedy payment, would manifest a total want of moral sense or legal perception. The undersigned in the brief period in which he has held the office in question has had the satisfaction of signing drafts in thirty cases, and of thereby facilitating the payment of the amount awarded for isnde-compulsorily taken by the State from his tellow-citizens, to the amount of \$28,500, and he has done no official act which has affected him more unfeigned astisfaction. So far from admitting it to be a proper subject for apology or defense, he now earnestly recommends that the Legis ature reform the existing law, by providing more fally for expediting the hearing and settlement of the just claims of any citizen of the State, for property taken from them for public use.

The heads of expenditure above presented show that drafts have been drawn, for work done before the first of July last, to the amount of \$28,822, and for work done on existing contracts since that time to the amount of \$28,506. For a portion of the latter sum, provision In the case of an award of the Canal Appraisers,

of July last, to the amount of \$250,822, and for work done on exacing contracts since that time to the amount of \$28,336. For a portion of the latter sum, provision had been made by the Commissioners of the Canal Fund from the proceeds of a loan of \$250,000, made by them uncer the 10th section of the 7th article of the Constitution. Or this sum, \$114,000 was expressly set apart to enable the contractors to expedite the work on the breakwater forming the outer protection. of the Eale basin at Buffalo—on the embankment at Holley—on the excavation through the mountain ridge at Leekport—and on the embankment seross the Cay-

et Leckport—and on the embankment across the Cayuga Marshes. A considerable pertion of that amount
has already been paid to them, so that the residue remaining urpsid of the drafts for \$98,336 does not exceed \$30,000. The contractors to whom they have
been issued had themselves elected, before the first of
July last, to go on with their contracts, and to rely on
the equity of the Legislature for such provision as
ahould be just and proper. In many cases their work
was so nearly completed that it would cost them, and
through them eventually the State, a larger sum in
damages, in stopping the work and discharging their
men, machinery and implements, than it would cost to men, machinery and implements, than it would cost to

men, machinery and represents, than it would cost to complete it.

The undersigned thought it necessary, at any rate, before calling on the Contracting Board (which alone had the power), to step the work, to ascertain how near it was to completion; and he soon ascertained that only a very moderate expenditure was needed to complete the whole, and a still smaller sum to obtain a darked large and sufficiently wide that only a very moderate expenditure was needed to complete the whole, and a still smaller sum to obtain a channel seven feet deep, and sufficiently wide to acmit the passage of boats fully loaded. The official reports then enade by the three Resident Engineers, and now fully coeffined by the report of Mr. Fay, the Division Engineer above referred to, showed that such a channel could be obtained through the Western Division, from Buffalo to the Cayaga Marshes, for a sum not exceeding \$228,000; and it was further ascertained that, irrespective of the work on the Marshes, and of an additional reservoir proposed by the State Engineer, such a channel on the Middle Division might be obtained for an amount not exceeding \$125,000, and on the Eastern Division for a sum not exceeding \$125,000,—making in all \$368,000. It was further reported by Mr. Bennett, the discreet and able Resident Engineer in charge of the work on the western pertion of the Cayaga Marshes, that its cost, including the eastern portion embraced in the Middle Division, would probably amount to \$170,000, and that it could not be completed until the Spring of Seven feet deep could be obtained by deepening the present canal through the Marshes an additional foot, and at a cost not exceeding \$16,500—making the total cost of obtaining an uninterrupted navigation, from Lake Erie to the Hudson, for boats of the largest class and fully loaded, only \$381,500.

The conviction that a result so exceedingly im-

loaded, only \$381,500.

The conviction that a result so exceedingly important was within the reach of the State, deterred the undersigned from taking any measures to induce the undersigned from taking any measures to induce the Contracting Bo-rd to arrest the progress of the work, and led him to acquisece in the propriety of permitting the contractors to proceed with it, as they had voluntarily chosen to do, at their own risk. They have made such progress that it new only needs the action of the Legislature to obtain a navigation in the Spring, or very shortly afterward. The only delay will be at the Cayuga Marshes, but that need not be serious, as there are now two efficient dredges on the level (which, being the lowest, is always filled with water), and ready for action the moment the Legislature shall give the necessary power to the Commissioners in charge.

ers in charge.

The work of excavating the additional foot in the The work of excavating the additional foot in the Marshes involves no difficulty of any sort. The amount necessary to excavate is but 66,000 cubic yards, for which twenty-five cents per yard is ample price. The experience of last Spring in excavating this very channel two feet, to obtain six feet of water for the Eric Canal conclusively shows how easily and cheaply the work can be done.

In order, however, to render it of any use, it will be

necessary to remove other obstructions of minor etent, embarrassing the navigation in other portions the canal, some of which cause boats to ground when drawing only five feet of water. The sections where there obstructions exist were under contract, but the contracts having been canceled, the work was accordcontracts having been canceled, the work was accordingly relet. Its cost is estimated at about \$75,000, but no drafts have yet been drawn on that account, and the Legislature can now step the work, if they shall deem it wise to do so.

For the purpose of permitting the passage of boats of the size properly adapted to the dimensions of the Enlarged Canal, the bridges on the Western Division

Enlarged Canal, the brieges on the Western Division have been raised by the Superintendents to a uniform hight of twelve feet above the water surface. New bridges, principally in the Cities of Buffalo and Rochester, to supply others that have become decayed and dangerous, have also been contracted for, at a cost of \$16,000; and also four stop-gates, at an estimated cost of about \$20,000 to guard the high embarkment at \$15,000; and also four stop-gates, at an estimated cost of about \$10,000, to guard the high embankment at Irondequeit, and that at Holley, from the very serious detentions and disasters which would result from breaches in those important structures.

The report of Mr. Fay specifies these works in detail, with estimates of their cost.

The effect already produced on the commerce and navigation of the Eric Canal in the increase of business.

navigation of the Fire Cana, in the increase of one-ness and diminution of the price of freight, by deepen-ing it to six feet, as was done last Spring, has been very striking and encouraging; but it will be greatly enhanced by auding the additional foot, according to the settled plan of the enlargement. The depth of water now permitted to the boats in the channel of six feet is necessarily limited to five feet, or sixty inches. A boat of the full size weighs about sixty tuns and displaces fifteen inches of water, leaving but forty-five inches for submergence by the cargo. With an addiinches for submergence by the cargo. With an addi-tional foot of water, that submergence may be increas-ed from forty-five to fifty-seven inches, or 25 per cent, increasing the amount of the cargo in the same propor-tion. Requiring very little additional power for its traction or propulsion, the twelve inches or 26 per cent gained will operate as a bounty or premium to that extent to the navigator.

The heaviest cargo weighed during the year 1858 at the weigh lock at Rochester consisted of staves, weighing 1891 tuns; but the cargoes of the boats car-rying flour and wheat do not generally exceed 175 or

weighing 1984 tuns; but the cargoes of the boats carrying flour and wheat do not generally exceed 175 or 180 tuns. The 180 tuns now carried by the boat drawing five feet of water, will be increased to 228 tuns when drawing six, and the price of freight may be correspondingly reduced. We need hardly expatiate on the inevitable effect of such a saving, in enabling the canal to regain at least the bulkiest portions of its lost commerce. In the vital struggle with the potent and vigorously directed engine of commerce at its side, and now pressing to the utmost, a few cents saved in a tun may be decisive of the issue. It will be a retail mistake in such an emergency, to take counsel

from any but the real friends of the canal, or to listen to any suggestion from any quarter, that its commerce and navigation do not need this additional foot or that and navigation do not need this additional foot or that it may be safely or wisely postposed. The canal never needed it more. It reeds it now—immediately—without any delay—with all practicable dispatch—and no Canal Officer nor Sate Officer is loyal to his trust that seeks to prevent it. The highest principles of commercial policy may forbid the taxing of the rival railway, but those principles equally require the State, without delay, to import to its own channel of commerce and transport its primot bane, its part of commerce and transport its primot bane, its part of the safety and transport its primot bane, its part of the safety and transport its primot bane, its part of the safety and transport its primot bane, its part of the safety and transport its primot bane, its part of the safety and transport its primot bane, its part of the safety and transport its primot bane, its part of the safety and transport its primot bane, its part of the safety and transport its primot bane, its part of the safety and transport its primot bane, its part of the safety and transport its primot bane, its part of the safety and transport its primot bane, its part of the safety and transport its primot bane and transport its primple and transport its primot bane and transport its primot bane merce and transport its utmost capacity and value.

merce and transport its utmost capacity and value.

It is the opinion of persons of judgment and experience, who cave attentively examined the lest-published report of the New-York Central Railroad Company, that it costs them at least \$3 in actual expense, without profit, to carry a tun of floor from Buffalo to New-York. With the canal as it, excluding the present toll of \$1.40, it costs \$2.4°. With the additional foot of water it will cost, excluding toll, but \$1.80. If it shall prove to be practicable to adopt the suggestion, recently made, of lengthening toe chamber of the locks, by merely moving the upper gates, so as to admit boats 122 feet in length, it will reduce the costs olow as to permit the State to retain reduce the cost so low as to permit the State to retain a sufficient amount of tell, and yet enable the canal

o defy all further competition.

The advantage of using steam in the navigation of The advantage of using steam in the navigation of the canal is no longer a matter of question. Experiments made curing the last season, subarrassed, however, by difficulties which were only temporary, clearly prove—what experience on other canals, both in this country and Europe, had siready established—that steam-vessels may be used without injury to the banks or other structures of the canal, and at a rate labority. The result is double the represent of

In view, however, of this important revolution in heavigation of the canal, it will be especially neces-sary to preserve it from breaches, interruptions of bregularities of any kind, and especially to insure a constant and uniform supply of water. The manage-ment of the mechanism of the canal with this new power will demand a high degree of skill and intelli-gence, and its general police would be greatly im-proved, in this and many other important respects, by the employment of a General Superintendent of Navigation and Repairs, of approved ability and inby the employment of a General Supermoment of Navigation and Repairs, of approved ability and in-tegrity, and vested with sufficient authority. It might possibly be thought advisable to relieve one of the

possibly be thought advisable to relieve one of the Can Commissioners from any other duty, and to assign him specially to tuis.

The views above presented in respect to the Eris Canal apply with equal force to the Oswego Canal, which deserves, if only as a trutk line, connecting the seaboard with Canada, to be placed in all respects on an equality with the Eris Canal. Occupying the position which it does, so near the outlet of Lake Ontario, it must always exert an important and commanding influence in preventing the diversion down the St. Lawrence of that part of the Western commerce finding its way to the take.

the St. Lawrence of that part of the Western com-merce finding its way to the take.

The efficial tables show that our Canal trade is quite as much exposed to diversion from that quarter as from the channels of commerce in Pennsylvania

nd Matyland.

The Pennsylvania Canal and Railroad Company

The Pennsylvania Canal and Railroad Company brought from Pittsburgh, in 1857, but 32,534 tuns of flour and 5,648 tuns of wheat. The Baltimere and Ohio Railroad carried in 1858 from the Ohio River, but 33,404 tuns of flour, and but 1,829 tuns of grain. Whereas, the St. Lawrence Canal, in the year 1858, carried downward 50,782 tuns of flour, 49,859 tuns of wheat and 4,132 tuns of corn.

The amount of flour and grain of all descriptions received by the Lake at Buffale in 1858 was equivalent to 26,000,000 bushels, or 680,000 tuns. The amount shipped at Oswego by canal in 1857 was 168,836 tuns. The tables of Eric Canal commerce plainly exhibit the effect of improving its navigation even to a partial extent. The tunnage of 1858 shipped at Buffale has been 760,872 tuns, being an increase of 134,834 tuns over 1857. nothing will more fully exhibit the mechanical

Over 1857.

But nothing will more fully exhibit the mechanical, and, by necessary consequence, the commercial advantage of enlarging the capacity of the canal as a labor-saving machine, and the urgent necessity of speedily completing the work, than a comparison of the yearly movement of the loats at different stages of its pregress. In the year 1852, when the work was stopped, it required a movement of boats of 8,275,000 miles to carry 1,236,000 tins; whereas, in 1856, the increase in their capacity and consequent diminution of the required number, enabled them, by a movement of only 2,669,600 miles, to carry 4,116,000 tuns. If the Enlargement had remained where the Stop Law left it in 1842, the carrying of the 4,116,000 tuns in 1856 world have required a movement of 27,722,000 miles, showing a saving in a single year of 18,033,000 miles, which, at 15 cents per mile, the usual price of traction, is \$2,704,800.

Were this the fitting occasion, it would not be diffi-

traction, is \$2,704.800.

Were this the fitting occasion, it would not be difficult to show the enermous loss, in needless movement of boats, by the delay in former years to finish the enlargement. But our duty now is to look ahead and to discern the demonstrable truth that by giving the Canal the additional foot of water, we annul increase the present saying precisely in the ratio of t.e. morease. the present saving precisely in the ratio of t e morease

the present saving precisely in the ratio of the increase in the earge.

In an emergency like the present, requiring the prompt employment of all our legitimate resources, the State might well look to the Controller as its fiscal officer, to point out the ways and means, and the proper mode of obtaining, with the least delay, the funds needed for putting the public works in a condition fully to recover and command their legitimate commerce, and thereby replenish the revenue of the State. At a period so peculiarly demanding the union of all parties in a patriotic effort to carry forward the measures for resouring the Canals from their temperary embarrassment, it was not to be expected that the crisis would be seized upon to gratify any domaint party feeing, or to reopen the discussion of any long buried party topic.

It is, therefore, with sincere regret that the friends

refer the canals observe the endodrate ender of the Canals troller, in his recent annual report, to fasten the responsibility of the present temporary want of means upon the legislative policy of the year 1828, and to exait, at its expense, the financial achievements of their predecessors in 1835 and 1836, and in particular their predecessors in ISSS and ISSS, and in particular to maintain the proposition that all the canals could and should have been built, and the three canals (the Eric, the Oswego, and the Cayuga and Seneca) fully enlarged with the surplus revenues alone, and without resort to losms.

What good purpose could be subserved in the present leaves by catalyhiding expect the test of

What good purpose could be subserved in the present joncture, by establishing even the truth of such a proposition, is not apparent; but it is easy to perceive its mischlef in paralysing the efforts of the Legislature, in casting discredit upon our canal policy, in crippling the commerce of the canals, and in lowering the credit and character of the State. The public interests imperiously demand that such a result, if possible, shall be averted, and that the truth of the egations of the Controller shall be subjected to a

all and searching inquiry.

Fortunately, his fundamental allegation requires for its refutation neither argument, nor speculation, nor abstract reasoning of any kind, nor any reference to he future—nothing, in short, but the evidence furnished by public documents and official tables, by his-torical and ascertained realities, to place the truth beand the reach of further misrepresentation.

Let us then, by the light of the public records of the State, examine the accuracy of the statement in

nestion.

In the first place then, it is admitted to be true, that the Canal Board in 1835 did express their opinion, that the surplus revenue of the Eric Canal would suffice to pay for its enlargement, without reserting to leans for the purpose, but it is not admitted to be true for it is singularly untrue, that the Legislature of 1835 or of 1836, adopted what the Controller calls "the 1835 or of 1836, adopted what the Controller calls "the eminently wise policy" of applying the whole of those surplus revenues to that object. On the contrary, the Legislature of 1835, in the very act authorizing the enlargement of the canal ichap. 274 of the session; provided that after 1837, \$309,000 of the surplus revenues, being nearly one-third of the amount then existing, should be applied to the general uses of the State. The language of the Statute is too explicit to leave any doubt, for it expressly declares that the expenditure in enlarging the Eric Canal "shall be "so limited as to leave from the canal revenues an "annual income to the State of at least \$300,009."

Nor is it true, as stated by the Controller, but most untrue that the Legislature of 1836 pursued "the emirently wise policy" in question. So far from doing

untrue that the Legislature of 1856 pursued "the eminently wise policy" in question. So far from doing so, they increased the annual amount from \$300 900 to \$400,000, which they took without delay, cloaking the act under the guise of a "loan for the use of the General Fund." We hardly need to add that the pretended "loan" was never repaid and never demanded, but the \$400,000 was simply and nakedly diverted and taken from the Canal revenues and applied to the ordinary expenses of the Government. The surplus of the year being \$1,130,856, the amount thus taken by the State was more than one-third of the whole.

dinary expenses or the state of the whole. The practice thus inaugurated by the Legislatures of 1835 and 1836, was annually continued without objection from any quarter, and, with only two interruptions, down to the adoption of the Constitution of 1846, when the Convention not only sanctioned the pro-1846, when the Convention not only sanctioned the proceeding, but made it the imperative duty of the Legislature to continue it. Nay, more, it even increased the amount to be diverted, for it not only directed \$200,000 to be annually taken for the ordinary expenses of the State, but also for the further annual amount of \$350,000 for the interest of the General Fund debt, three millions of which, it should be remarked, were incurred by the very Legislature of 1836 in loaning the credit of the State for that amount to the New-York and Eric Railroad Company.

The annual amount of the sums respectively diverted, from the year 1835 to the year 1838 will be

The actual amount of the sums respectively diverted, from the year 1855 to the year 1858, will be found in document No. 62, accompanying the annual report of the Commissioners of the Canal Fund to the Senate in 1858 (Senate Document No. 7). The docu-ment comes from a body of which the Controller him-

self is the leading member, and can hardly have es-

Making a total of.

It was indeed a solemn ferce for the Legislature of 1836, to disguise this annual abstraction of \$400,000 from the Canal resources, under the garb of a "loan "to the General Fund," and it was solemnly carried out in the second section of the act by which they sacredly pledged the faith of the State, to pay the whole amount to be character. amount to be abstracted, whenever the Canal Fund should need it. Now if this really was a loan, not a mere presence let us ask if the General Fund is now ready to repay it? Will the Canal Fund ever need it

The single item of \$4,137,699, with its accomplated The single item of \$4 137,692, with its accommutated interest to say nothing of the \$3,854,416, would now suffice to complete the canals, and fully pay every claimant and contractor. The Legislature of 1856 blighted the public faith for its renayment on demand. Why does not the Controller, as the fiscal officer pena-Does he apprehend that a tax might now repay it?

Does he apprehend that a tax might now be necessary
for the purpose? But even if it should be has not the
diversion of the moneys from the canals, saved the
people from taxes to precisely the same amount, during ople from taxes to precisely the same amount, dur-long course of twenty-three years, from 1836

But this is by no means all. The inroad made by taking the \$3,022,018, quite enough of itself to dis-credit the statement made by the Controller, was only a moderate diversion, when compared with the tho-rough breach made in the surplus revenues needed for the Eric Enlargement, by abstracting from them the nals, and which diversion was rendered legally necessary, partly by pledges in the laws authorizing the loans for their construction, and partly by the express requirements of the Constitution of 1846.

The total amount expended in building the lateral canals is \$15,655,119. The interest on that sum, at 5

per cent from the time of expenditure to 1858, is at least eleven millions, making a total of \$26,055,119; and it has all been diverted and taken (with the exception of \$213 000, the avails of certain lands appropriated to the Osmogo Canal, from the surplus reve-

nues in question.

The lateral canals have doubtless benefitted the por tions of the State which they traverse, and are entitled to its kird and paternal consideration, but in a merely fiscal sense, they have, as a whole, greatly impoverished the treasury. None of them, except the Oswego, the Oneida River Improvement, the Cayuga and Sen-eca Canal, have yet yielded annual revenue enough to pay their annual expenses for repairs and superintendence, to say nothing of the interest on the cost of their construction. It is hoped, that the extension now in progress of the Genesee Valley Canal, and which is progress of the Genezee Valley Cahai, and which is expected to be finished during the present year, by affording additional facilities for reaching extensive forests and valuable coal and iron mines in Pennsyl-vania, may rescue the canal from its present depressed condition, as a source of revenue; but it is feared, that the Black River Canal must permanently remain a borden on the treasury. Its annual tolls are but \$1,998, and its annual repairs and superitendence \$23,476, added to which, the owners of hydraulic privileges have instituted claims upon the State, for nearly balf a million of dollars for diverting the waters of the

The aggregate tolls received from all the lateral The aggregate tolls received from all the lateral canals, from the time of their construction have been but \$3,493,920, while the aggregate repairs and superintendence have been \$3,366,017, leaving a deficiency of \$873,067, and that amount with interest in addition to the \$16,055,119, has also been diverted from

the surplus revenues in question.

These revenues for the twenty-three years, from 1838

| Section | Sect 14.842,115 4. Interest on expenditure, at 5 per cent 11,000,000 5. Paid for repairs and superintendence, 650,000 Leaving for the enlargement of the Eric Canal

(which has cost already, exchange of interest, nearly \$20.000,000) only.

4,038,314 and this with the interest, if any, derived from temporary investments of the surplus revenues, is all that

porary investments of the surplus revenues, is all that remains of the \$39,700,048.

What, then, becomes of the rash and groundless assertion that the Eric Canal, the Oswego Canal, the Cayuga and Senecs Canal, and the Champiain and locks, could and should all have been enlarged and completed with these surplus revenues, and without recourse to losus? Or will it be claimed that it was not necessary to make the diversions of \$35,387,234 above exhibited; but that the whole of that vast sum should have been and could have been raised by direct tax on the people of the State? Or will it be contended that the lateral canals ought never to have been authorized or constructed? Or will it even be claimed that the Legislature of 1838 are responsible ed that the Legislature of 1838 are responsible

claimed that the Legislature of 1838 are responsible for their construction?

All the lateral canals, excepting only the Oneida Lake Canal and Oneida River Improvement (two small works costing only \$141,000), had been authorized, and were either completed or in active progress, before the Legislature of 1825; the Cayuga and Seneca in 1826; the Chemung in 1830; the Crooked Lake in 1831; and the Chemango in 1833. It was reserved for the Legislature of 1839, specially colorized by the 1831; and the Chenango in 1835. It was reserved for the Legislature of 1836—specially eulogized by the Controller on the present occasion, for their alleged wisdom in pursuing the policy of constructing the canals wholly with the surplus revenues, and not by loans, and specially chosen by him as an example by which to point his rebuke of the Legislature of 1858— -themselves to call isto being the Genesee Valley and Black River Canals. That very Legislature not and Black River Canals. That very Legislature not only authorized their construction, but expressly directed loans to be negotiated for the estimated cost. There was nothing novel in their doing so, for it had been the invariable practice for the thirteen years next preceding to build the lateral canals by means of loans. The only novelty in the matter, and the only circumstance worthy of particular remark, is the present remarkable assertion of the Controller that the Legislature of 1836 pursued the policy of building those canals without incurring a debt, when their very laws creat-

without incurring a debt, when their very laws creating the debt, are seen staring from the statute book.

When the Legislature of 1838 assembled, these carels were in full progress, including the enlargement of the Eric Canal, for some small sections of which the Canal Commissioners had made contracts to the amount of about \$3,500,600, and which they express the same of the which the Canal Commissioners had made contracts to the smount of about \$3,500,600, and which they estimated would abserb the surplus revenues for three or four successive years. The cost of the whole enlargement had recently been estimated by Canal Commissioner Bouck and his associates at \$12,000,000, but mainly for the purpose of abowing the comparative cost of the enlargement with seven feet water, and with six. Even at that low estimate, it was evident that the completion of the work, relying only on the surplus revenues as then existing, with the annual diversion of \$400,000 then established, would occupy at least 20 years. In the judgment of the Legislature of 1838, the true interests of the State required the work to be expedited and completed, if practicable, in five years, and thereby saving the intervening loss of interest of at least fifteen years. They accordingly passed a law directing \$4,000,000 to be borrowed to expedite the work. This was the only specific act done by that much abused Legislature to create or and to the canal debt, and yet it has drawn down upon them the most unmeasured obloquy for the last 20 years, including the present assemble for the contracts. 20 years, including the present assault of the Con-troller, who has not a word of censure for the debt-creating policy and laws of the previous Legislature of 1850. The Genesee Valley and Bluck River Canals, of 1830. The Genesee Valley and Black River Ca solely the fruits of their legislation, have cost \$8, 631, and including interest at 5 per cent, at least

631, and including interest at 5 per cent, at least \$13,-200,000, and will long remain a grievous burthen on the Treasury, while the \$4,000,000 borrowed by the Legislature of 1838 went into the Eric enlargement, and largely increased the capacity, convenience and productiveness of the work.

But the Controller says that the Legislature of 1838 "promulgated a new rule" for prosecuting the public works, by recommending loans for the purpose, to the extent of the sum for which the revenues would pay the interest. But was not such a rule preferable to the previous practice of creating debts for lateral canals, which would yield no revenues at all? previous practice of creating debts for lateral canals, which would yield no revenues at all? He further asserts that the rule was fallacious, in

not allowing for contingencies, which night reduce the revenue below the necessary standard. But if the revenue was then clearly sufficient, was there any need revenue was then clearly sufficient, was there any need of raising anxiliary funds by taxes on the people for the purpose? Was it not quite allowable to wait until the revenue should prove insufficient? For let it be recollected that the sum borrowed was but four milions, and that the total cost of the work was estimated at only twelve millions—and above all, that Canal Commissioner Bouck and his experienced official associates had just presented their report, expressing their opinion that the revenue, so far from diminishing or becoming insufficient, would specifly increase to hree millions annually.

But the most serious offense of 1838, was the report of the Committee of Ways and Means of the Assembly, whose duty it was to consider the fiscal effects of

of the Committee of Ways and Means of the Assum-bly, whose duty it was to consider the fiscal effects of the increase of revenue thus predicted by the Canal Commissioners—and in what did that offense consist? In simply stating the naked, undeniable, arithemetical truth, that a net revenue of \$3,000,000 would pay the interest at five per cent, on a debt of \$61,000,000, and the further arithmetical truth, equally undeniable, that with such a revenue, \$30,000,000 might be borrowed and reimbursed in twenty, years, or \$40,000,000 in twenty-eight years, and in asserting that if such a rev-

enne was certain to be realized, the State might safely proceed to borrow money to the extent even of facty millions, to complete their public winks. The Committee made no attempt, nor was it works on which the first office, to indicate the particular and the state of the commended the completion, with all practicable in the particular of the State, whether obtained by least or other process of the Process of the Process of the Process of the Committee were officially bear to examine, and they accordingly attempted, to the best of their about, to survey and analy an elements of the revenue commence from which that increase of the revenue was reported as paramount, and that or evenue comparatively subordinate; but if was, now ethics or was regarded as paramount, and that or evenue comparatively subordinate; but if was, now ethics or was regarded as paramount, and that or evenue comparatively subordinate; but if was, now ethics or was regarded as paramount, and that or evenue comparatively subordinate; but if was, now ethics or was regarded as paramount, and that or evenue comparatively subordinate; but if was, now ethics or was regarded as paramount, and that or evenue comparatively subordinate; but if was, now ethics or was regarded as paramount, and that or evenue comparatively subordinate; but if was, now ethics of the commence of the commence of the commence of the commence of the revenue, if the nacessary amount of the difference of the revenue, if the nacessary amount of the difference of the revenue, if the nacessary amount of the difference of the revenue of the probable extent of the commence of the revenue, if the nacessary amount of the difference of the revenue of the commence of the commence of the commence of the commence of the revenue of the commence of the revenue of the commence of the comm

the interval official assault was made by the State Controller in 1830, in his annual report to the Legislature of the state of the sta

that amount, that in the year 1835 the commerce of the Western States passing through it attained the sum of \$136,598,784, thus coming within four millions of the estimate of the Committee of 1838, and trans-cending the estimate of the Controller of 1839 more than one hundred and eight millions.

But this was not all. The States in question in the

But this was not all. The States in question in the same year contributed a large amount of products (including merchandise in return) to the New-York Central R silroad, the transportation of which on railroads the State in 1838 had either prohibited or subjected to canal tolls. A statement of the precise amount for that particular year is not now at hand, but the amount for 1838 was 303,408 tuns, with a value of at least \$43.0 000,000.

amount for IS.8 was 303,408 tuns, with a value of at least \$40,000,000.

Nor was the Controller any more correct in his prediction, that the canal would not receive any considerable amount of the products of the forest from the Western States. Within the last twenty years the forests within our borders have so far disappeared that those of the more remote interior have necessarily taken their place. The amounts of their products received at Bolfslo and Tonswands, on the Niagara River, in 1857 (a year, too, of unusual depression) were no less than 193,659 tuns—while the amount at Oswego, mainly contributed by the Western States Oswego, mainly contributed by the Western States and Canada, was 177,478 tuns—being 371,137 tuns in

belong to history, and if there be any one truth in human affairs, more clearly established than another by actual experiment, it is, that the Assembly of 1818, and ts Committee of Ways and Means did not overestimate its Committee of Ways and Means aid not overestimate or enaggerate the prospective amount of the sommerce of the Western States to pass through the Eric Canal, and do not deserve and never did deserve, in any degree, the senseless and uniterrupted abuse which a blind, party hatred has so unsparingly heaped

upon them.

The rapid development of our canal commerce in respect to the products of the forests of the West, is a subject worthy of the attention of the Legislature, apart from the particular theme now under examina-tion. It may become a very material and perhaps a redeeming feature, in the finances of the canals. The proportion already contributed by Canada and the West, is more than one-third of the whole amount of the products of the forest (excluding ordinary fire

the products of the forest extending ordinary in-wood) carried on all the canals, including even the Champlain, and the ratio is constantly and rapidly in-creasing in favor of the West.

The true question is not, as was supposed by the Controller in 1839, whether the products of the forests of the more remote interior will bear the cost of trans-portation through the Eric Canal, but what amount that interior is capable of supplying, and how long it will be able to continue the supply. The best infor-mation which has yet been obtained, seems to estab-lish the fact, that the forests of Michigan and Canada, having convenient access to the lakes and through them to the canals, can probably furnish from thirty to forty millions of tuns. A considerable portion of that amount will necessarily be diverted to the Western markets which have no other supply, but if one-half shall reach the canals of this State, and a proper rate of toll shall be maintained, it must exert a very important influence in extinguishing our present canal

debt.

The property of every description carried on the canals in 1838, was 1,337,357 tuns, and paid in tolls \$1,588,357. The amount carried in 1836 (which is selected in perference to 1857, a year of unusual depression) was 4,116,087 tuns, and paid in tolls \$2,748,-303. These figures snow at once, the great reduction in the rates of toll, being from \$1.20 per tun in 1838 to 66 cents per tun in 1856. A statement of the compar-66 cents per tun in 1856. A statement of the comparative reduction on the particular portions coming from and going to the West, would exhibit a still further reduction; but the general rate is enough for the present purpose, which is to prove that the estimate in 1838, of the Committee of Ways and Means, that the toils, at the rates then established, would exceed \$3,000,000, was far within the truth. At those rates, the toils of 1856 would have been \$4,939,238, instead of \$2,748,203, to which, if we had the toils on the property carried on the railroad, and which would have sought the canal, the amount would be increased nearly a million more. A careful examination of these sums and quantities,

especially if coupled with anything like a comprehen-sive view of the rapidly unfolding future, cannot fall to show the exceeding gravity of the question, which must sooner or later be settled by the State, whether commerce or revenue, or both, shall govern its public councils in fixing the tolls of the canals, and shaping its legislative action in respect to the competing railroads. That the amount of the commerce of the West through the State, either by canal or railroad, must keep steady the State, either by canal or railroad, must keep steady pace with the advance of our interior population, is now beyond the power of doubt. Come what will, short of pestilence and famine, no earthly power can prevent the increase of that well-fed and vigorous race. No possible power of incredulity (and our political history furnishes some enormous specimens) can now argue away, or sneer away the yearly commerce of the vast interior, so incessantly and resistlessly swelling in volume and value. No degree of sophistry, no possible intensity of party malice or party blindness, can now prevent the risen sun from shining, or diffusing its light. The West is here—among us—and upon us—in full vigor—defying all the power of party politicians, however persevering, to shut out the enorpoliticians, however persevering, to shut out the enormous truth, that within the next twenty years the

and extravegance, and millions more by fraud and peculations.

And what remedy does he propose? Does he even suggest the propriety of a legislative inquiry? His allegation may be true, but the undersigned can only say, after extensive and carefol examination, that he has become convinced, that although many instances may be found of carelessness and haste in the original estimates of the work, accompanied, at times, by positive corruption in its management, yet that the total amount lost by the State, so far at least as the Western Division is concerned, has been greatly exaggerated in public opinion. He begs to add, that in every instance where he has settled final estimates, he has received full and satisfactory explanations in writing from the Engineer in charge. He now returns a voluminous mass of reports furnishing all necessary particulars, to be deposited with the Auditor, for the express purpose of affording every facility in his power, for any investigation the Legislature may see dit to direct.

for any investigation the Legislature may see fit to direct.

3. In respect to the more specific charges of the Controller, that "abuses of a gross and scandalous "character now exist on the canals, involving, it is "feared, the integrity of some of the public servants," the undersigned feels bound in justice to the many faithful and able engineers now employed on the canals, to say that he knows not one that deserves the very injurious remark in question, but that if any such abuses really exist, and have been brought in tangible form to the knowledge of the Controller, it is his duty to subject them at once to legislative inquiry, and of the Legislature itself to direct the inquiry to be made. It is with unaffected regret that in taking leave of the public service of the State, the undersigned has found himself obliged, in self-defense, and in justice to others, to repet these assaults of the head of the financial department, for whom he would fain cherish the

cial department, for whom he would fain cherish the most kind and respectful regard. He will indulge the hope, that an officer so intelligent will not permanently allow himself to remain enslaved by personal or party prejudice, but will yet be found cordially united with the Legislature and his official associates, in carrying onward to speedy and successful completion that great system of public works, which has made our noble State what it is, and which, with wise and liberal man-agement, is destined to carry it to a still higher degree

f prosperity, power and renown.

In conclusion, and in obedience to the statute requiring the undersigned to recommend such measures is he may deem the public interests to require, he would respectfully suggest the following:

1. That a tax be laid of a mill on the dollar, and applied to the completion, first, of the enlargement of the Erie and Oswego Canals; and aext, to the other un-

Erie and Oswego Canais; and next, to the other un-finished works in just proportions.

2. That \$400.000 of that amount be applied without delay to the obtaining a channel of seven feet water for the Eric Canal, by the opening of navigation in the coming Spring, or a soon afterward as practicable.

3. That interest be paid on any claims due for work done, or lands or buildings taken for the use of the

4. That until the revenues can be rendered sufficient

4. That until the revenues can be rendered sufficient, by increasing the capacity of the canals or otherwise, to pay the interest on the existing debt, the deficiency be annually ascertained by the Canal Board, and levied by tax without further legislation.

5. That an amendment to the Constitution be submitted to the people, allowing the Legislature to borrow the amount necessary to discharge all existing claims on the canals, and to pay for their completion; with such a sinking fund as shall suffice to pay the interest and extinguish the principal, within a term not exceeding twenty five or thirty years.

SAMUEL 8. RUGGLES,

Canal Commissioner.

Albany, Jan. 24, 1859.

FIVE PERSONS BURNED TO DEATH .- The Pittsburgh Post of Feb. 1 says:
"We are indebted to David L. Smith, esq., of

Alleghany City for the particulars of a heart reading occurrence which took place in Reserve Township, at a late hour last night. During the Winter, a family a late hour last night. During the Winter, a family named Rogers, have resided in a frame house in Reserve Township, at the head of James street, just over the city line, adjoining the Third Ward. The head of the family, who is a carpenter by trade, was addicted to intemperance, and was seldom sober, while his wife and family have been supported chiefly by the charity of the neighbors.

and family have been supported chiefly by the charity of the neighbors.

"It was an ordinary occurrence to hear sounds of discord in the house, and at 11 o'clock last night, when the screams of the inmates were heard, no special wonder was excited. Soon, however, flames were seen issuing from the house, and a few persons hattened to the spot, but too lare to save the lives of those in the house, as the fire was too far alwanced to the save that the large was too far alwanced to the save the lives of those in the house, as the fire was too far alwanced to the save the lives of the large was too far alwanced to the save the lives of the large was too far alwanced to the save the lives of the large was too far alwanced to the save the lives of the large was too far alwanced to the those in the house, as the fire was too far advanced to allow any one to enter. Rogers, his wife and three children, the eldest not more than ten years of age, perished in the flames. A boy, eleven years of age, managed to escape, but was too much frightened to give an account of the fire. But few persons were present, as the alarm of fire was not general, and before an engine had reached the spot, the house was a smouldering rule."

mouldering ruin."

A Mas Shot Through the Heart.—We record A MAN SHOT IHROGON THE HEART.—We recom-arother nurder. A few minutes before I o'clock yes-terday morning, William Beckley, a mulatto, aged about 21 years, murdered an Italian comrade named Biggeo Forgaseci, by shooting him through the heart with a pistoi hall, on Vine street, north of Columbiawith a pistel ball, on Vine street, north of Columbia-His victim died instantly, and he was soon after ar-res ed and longed in the Pearl-street Station-House, whence he was removed to the Ninth-street Station-House last evening. The assarsination is involved in some mystery, no cause for it being assigned.

[Cincinnati Commercial, Jan. 31.

RESCUED FROM DROWNING.—John John George Miller unintentionally walked into the East. Wednesday night, but were fished out alive by the Ward Police.

SUDDEN DEATH.—Mrs. Gillespie of No. 330 West Thirty-third street fell dead on Wednesday, while carrying a